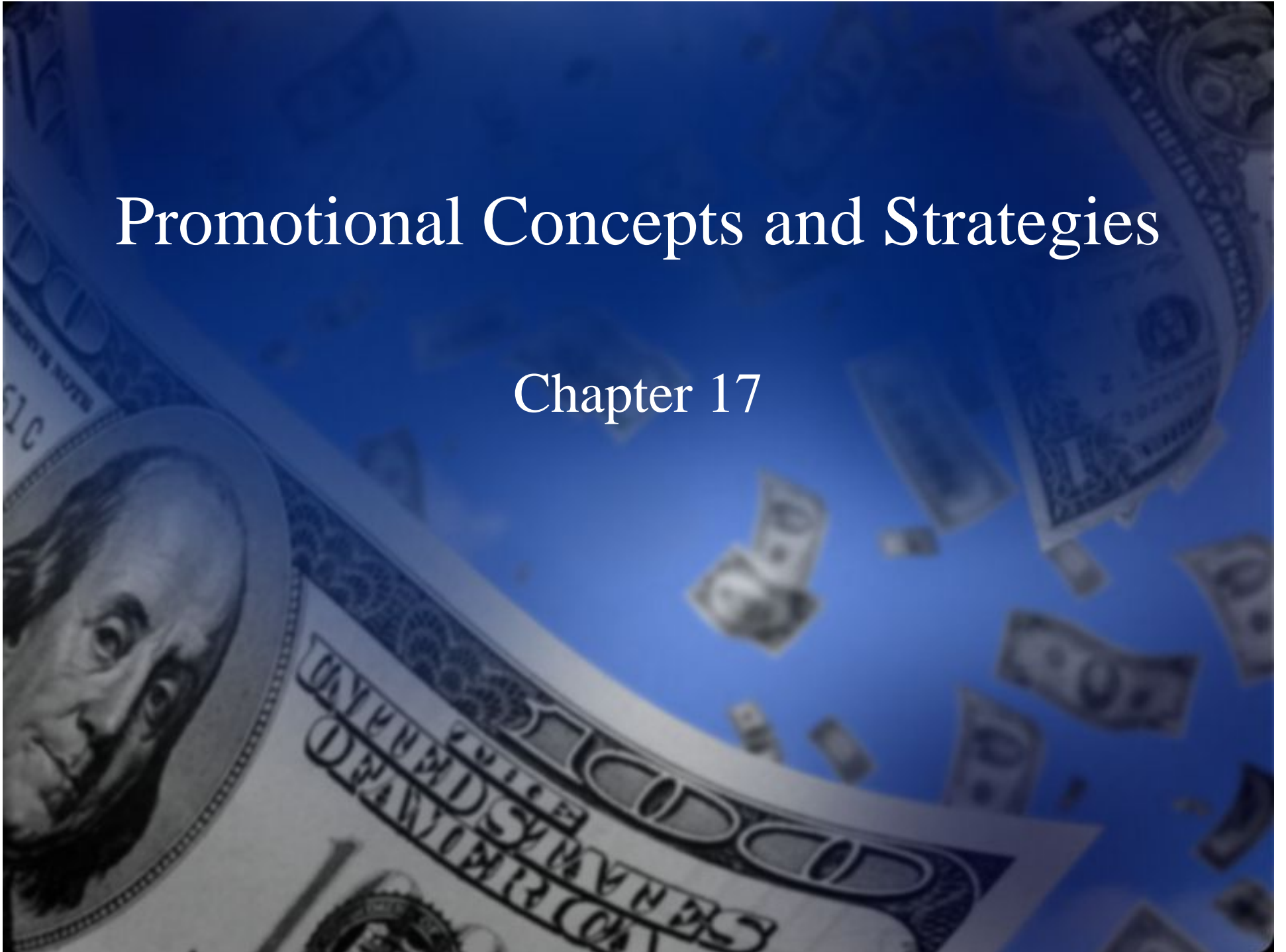


# Promotional Concepts and Strategies

## Chapter 17



The background of the slide is a collage of US dollar bills, including a prominent \$100 bill on the left and several \$20 bills scattered across the right side. The bills are slightly blurred and overlap each other, creating a sense of depth and value.

# Sales Promotion

A **short-term** incentive offered  
to **encourage** buying a good or  
service

**Business to Business**

**Business to Consumer**

Trade Promotions –  
Designed to gain  
manufacturers',  
wholesalers', and retailers'  
support for a product





# Consumer Sales Promotions – designed to encourage customers to buy a product

SMART CONSUMER

## To Buy or Not to Buy

Long-term-care insurance  
— is it worth the cost?

BY MARK WEXLER



# Types of Trade Promotions

- **Slotting Allowances** – a cash premium paid for placing a product on a retailer's shelves



# Types of Trade Promotions

- **Buying Allowances** – a price discount to encourage the purchase of a product



-10%  
-15%  
-20%  
**-30%**



# Types of Trade Promotions

- Trade Shows and Conventions



The Consumer Electronics Show is held annually in Las Vegas. Check it out by clicking on the image.

# Types of Trade Promotions

- Sales Incentives – awards given to managers and employees who successfully meet or exceed a sales quota.





# Types of Consumer Promotion

- **Premiums** – low-cost items given to consumers at a discount or for free –  
Should:
  - be low-cost
  - provide added value
  - negate the target audience's price issue
  - effectively differentiate the product from the competition
  - create an immediate need to buy

# Types of Premiums

- Coupons

<p><b>TRANSFER FROM/TO AIRPORT</b></p> <p><b>ADVANCE RESERVATION REQUIRED</b> <b>WELCOME</b> Conventioners</p> <p><i>Price Guaranteed with or without coupon.</i></p> <p>PSC# 11415/10811</p>  <p><b>\$2.00 OFF</b> Per person</p> <p><b>PRIME TIME</b> SHUTTLE</p> <p><b>(800) RED-VANS</b></p> <p><b>FROM AIRPORT</b> LAX - Dial 56737 from courtesy phone in baggage claim. Go to concrete strip across first roadway. Look for coordinator with RED shirt/jacket.</p> <p>John Wayne/Burbank/Ontario/Long Beach Airports - Call 1(800) RED-VANS. Identify yourself and receive instructions.</p> <p><b>BOOK ONLINE</b> <a href="http://www.primetimeshuttle.com">http://www.primetimeshuttle.com</a></p>	<p><b>TRANSFER FROM/TO AIRPORT</b></p> <p><b>ADVANCE RESERVATION REQUIRED</b> <b>WELCOME</b> Conventioners</p> <p><i>Price Guaranteed with or without coupon.</i></p> <p>PSC# 11415/10811</p>  <p><b>\$2.00 OFF</b> Per person</p> <p><b>PRIME TIME</b> SHUTTLE</p> <p><b>(800) RED-VANS</b></p> <p><b>TO AIRPORT</b> Make or confirm reservation at least one day before departure. Call 1 (800) RED-VANS and press "1" for reservations.</p> <p><b>PRIME TIME</b> SHUTTLE</p> <p><b>BOOK ONLINE</b> <a href="http://www.primetimeshuttle.com">http://www.primetimeshuttle.com</a></p>
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# Types of Premiums

- Factory packs (in-packs) – free gifts placed in product packages





# Types of Premiums

- Traffic builders – pen, calendar, key-chain given free for visiting or attending event



# Types of Premiums

- Coupon plans – ongoing program offering a premium in exchange for labels, coupons or other tokens from one or more purchases.



# Product Samples

- Free, trial-size sample
- Distributed through mail, door-to-door, or at a retail or trade show
- Especially important with new products





**Incentives** – generally higher-priced products earned and given through contests, sweepstakes, and rebates

- **Contests** – activities that require demonstration of a skill
- **Sweepstakes** – game of chance



# Incentives

- Rebates – discounts offered to customers who purchase



# Promotional Tie-In

(Cross-Promotion)

- Involves arrangements between one or more retailers or manufacturers.

Ex: McDonald's and Fisher-Price Toys





# Product Placement

- Featuring a product at a special event, on television, or in the movies



Click on the “Pieces Icon” to learn about the history of product placement.



# Visual Merchandising & Display

- Coordination of all physical elements in a place of business so that the right image is projected to the customers





# Loyalty Marketing Programs

- Frequent buyer programs
- Reward customers for making multiple purchases

